

The Texas A&M University System Internal Audit Department



Monthly Audit Report
April 15, 2026

TABLE OF CONTENTS

Prairie View A&M University: Programs for Minors

The overall objective of this audit was to determine if internal controls and processes over programs for minors are operating as intended and in compliance with applicable laws and policies.

This report is excepted from public disclosure per Chapter 51.971 of the Texas Education Code.

Texas A&M University-Texarkana: Contract Administration

The overall objective of this audit was to determine if internal controls over contract administration at Texas A&M University-Texarkana are operating as intended and in compliance with applicable laws and policies.

This report is excepted from public disclosure per Chapter 51.971 of the Texas Education Code.

Texas A&M University System Offices:
Available University Fund Reporting



System Internal Audit

THE TEXAS A&M UNIVERSITY SYSTEM

TEXAS A&M UNIVERSITY SYSTEM OFFICES

AVAILABLE UNIVERSITY FUND REPORTING

APRIL 15, 2026

Amanda Dotson, CPA
Chief Auditor



Overall Conclusion

The Texas A&M University System Offices Available University Fund (AUF) reporting is accurate and in compliance with state General Appropriations Act requirements.

The System Offices reported AUF transfers totaling \$591 million in fiscal year 2025. This included the following transfers:

- \$259 million to Texas A&M University
- \$188 million for Permanent University Fund debt service
- \$99 million to the System Offices
- \$40 million to Prairie View A&M University
- \$5 million for Revenue Financing System Note debt service

Summary Table

Audit Areas	Controls Assessment
AUF Report – Rider 5	Effective – No Observations
AUF Report – Rider 6	Effective – No Observations
Appropriation Limitation for System Initiatives	Effective – No Observations

Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine whether the Texas A&M University System Offices Available University Fund reporting is accurate and in compliance with state General Appropriations Act requirements.

The audit focused on the requirements of the General Appropriations Act for the 2024-25 Biennium, 88th Texas Legislature as follows:

- AUF Report – Rider 5
- AUF Report – Rider 6
- Appropriation Limitation for System Initiatives

The audit period was primarily September 1, 2024, to August 31, 2025. Fieldwork was conducted from January 2026 to March 2026.

Our audit methodology included gaining an understanding of processes in place through interviews, observation, and review of documentation as well as testing of data using sampling as follows:

Audit Objective	Methodology
<p><u>AUF Report – Rider 5</u></p> <p>Determine whether reporting is accurate and in compliance with General Appropriations Act Rider 5 requirements.</p>	<p>Auditors reviewed the most recent Rider 5 report and verified it included all required information and complied with Rider 5 requirements.</p> <p>Auditors compared the amounts in the Rider 5 report to supporting schedules to confirm agreement.</p> <p>Additionally, auditors used professional judgment to select a nonstatistical sample of 44 amounts reported in the supporting schedules and traced them to the Financial Accounting Management Information System (FAMIS) and other supporting documentation.</p>

Audit Objective	Methodology
<p><u>AUF Report – Rider 6</u></p> <p>Determine whether reporting is accurate and in compliance with General Appropriations Act Rider 6 requirements.</p>	<p>Auditors reviewed the most recent Rider 6 report and verified it included all required information and complied with Rider 6 requirements.</p> <p>Auditors compared the amounts in the Rider 6 report to supporting schedules to confirm agreement.</p> <p>Auditors used professional judgment to select a nonstatistical sample of 15 amounts reported in the supporting schedules and traced them to FAMIS and other supporting documentation.</p> <p>For a subset of this sample, auditors used professional judgment to select a nonstatistical sample of ten voucher transactions from the System Offices to confirm payment amounts agreed with supporting invoices and the use of funds was reasonable and allowable in accordance with applicable fund restrictions.</p>
<p><u>Appropriation Limitation for System Initiatives</u></p> <p>Determine whether expenditures of available university funds for system initiatives are in compliance with General Appropriations Act requirements.</p>	<p>Auditors reviewed the most recent notification submitted to the Legislative Budget Board to determine whether it complied with applicable General Appropriations Act requirements. Because no AUF notifications had been submitted subsequent to fiscal year 2022, auditors reviewed AUF reports for fiscal years 2024 and 2025 to determine whether changes in system initiatives would have required additional notification.</p>

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization's reputation. These are situations in which a CEO, Provost, Vice President, Dean, or Director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System polices, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the audit.

Criteria

Our audit was based upon the following:

- Texas A&M University System Policies and Regulations
- Texas A&M University System Office of Budgets and Accounting Procedures
- State of Texas General Appropriations Act
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

Audit Team

Robin Woods, CPA, Director
Danielle Carlson, CIA, CPA, Senior Manager
Nancy Hodgins, CPA
Lynette Shimek
Aissata Sow

Distribution List

Mr. Glenn Hegar, Chancellor
Dr. Susan Ballabina, Executive Vice Chancellor
Mr. Ryan Griffin, Vice Chancellor and Chief Financial Officer
Mr. Joseph Duron, Chief Administrative Officer
Ms. Teresa Edwards, Controller
Ms. Janet Gordon, Systems Ethics and Compliance Officer